

*One Hundred Ninth Congress
of the
United States of America
AT THE FIRST SESSION*

TITLE I--ENERGY EFFICIENCY

Subtitle C--Conservation and Energy Efficiency Provisions

[Sec. 1336. Credit for business installation of qualified fuel cells and stationary microturbine power plants.](#)

[Sec. 1337. Business solar investment tax credit.](#)

Subtitle C--Conservation and Energy Efficiency Provisions

SEC. 1336. CREDIT FOR BUSINESS INSTALLATION OF QUALIFIED FUEL CELLS AND STATIONARY MICROTURBINE POWER PLANTS.

(a) In General- Section 48(a)(3)(A) (defining energy property) is amended by striking `or' at the end of clause (i), by adding `or' at the end of clause (ii), and by inserting after clause (ii) the following new clause:

`(iii) qualified fuel cell property or qualified microturbine property,'.

(b) Qualified Fuel Cell Property; Qualified Microturbine Property- Section 48 (relating to energy credit) is amended by adding at the end the following new subsection:

`(c) Qualified Fuel Cell Property; Qualified Microturbine Property- For purposes of this subsection--

`(1) QUALIFIED FUEL CELL PROPERTY-

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(A) IN GENERAL- The term `qualified fuel cell property' means a fuel cell power plant which--

`(i) has a nameplate capacity of at least 0.5 kilowatt of electricity using an electrochemical process, and

`(ii) has an electricity-only generation efficiency greater than 30 percent.

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(B) LIMITATION- In the case of qualified fuel cell property placed in service during the taxable year, the credit otherwise determined under paragraph (1) for

such year with respect to such property shall not exceed an amount equal to \$500 for each 0.5 kilowatt of capacity of such property.

`(C) FUEL CELL POWER PLANT- The term `fuel cell power plant' means an integrated system comprised of a fuel cell stack assembly and associated balance of plant components which converts a fuel into electricity using electrochemical means.

`(D) SPECIAL RULE- The first sentence of the matter in subsection (a)(3) which follows subparagraph (D) thereof shall not apply to qualified fuel cell property which is used predominantly in the trade or business of the furnishing or sale of telephone service, telegraph service by means of domestic telegraph operations, or other telegraph services (other than international telegraph services).

`(E) TERMINATION- The term `qualified fuel cell property' shall not include any property for any period after December 31, 2007.

`(2) QUALIFIED MICROTURBINE PROPERTY-

`(A) IN GENERAL- The term `qualified microturbine property' means a stationary microturbine power plant which--

`(i) has a nameplate capacity of less than 2,000 kilowatts, and

`(ii) has an electricity-only generation efficiency of not less than 26 percent at International Standard Organization conditions.

`(B) LIMITATION- In the case of qualified microturbine property placed in service during the taxable year, the credit otherwise determined under paragraph (1) for such year with respect to such property shall not exceed an amount equal \$200 for each kilowatt of capacity of such property.

`(C) STATIONARY MICROTURBINE POWER PLANT- The term `stationary microturbine power plant' means an integrated system comprised of a gas turbine engine, a combustor, a recuperator or regenerator, a generator or alternator, and associated balance of plant components which converts a fuel into electricity and thermal energy. Such term also includes all secondary components located between the existing infrastructure for fuel delivery and the existing infrastructure for power distribution, including equipment and controls for meeting relevant power standards, such as voltage, frequency, and power factors.

`(D) SPECIAL RULE- The first sentence of the matter in subsection (a)(3) which follows subparagraph (D) thereof shall not apply to qualified microturbine property which is used predominantly in the trade or business of the furnishing or sale of telephone service, telegraph service by means of domestic telegraph operations, or other telegraph services (other than international telegraph services).

`(E) TERMINATION- The term `qualified microturbine property' shall not include any property for any period after December 31, 2007.'

(c) Energy Percentage- Section 48(a)(2)(A) (relating to energy percentage) is amended to read as follows:

`(A) IN GENERAL- The energy percentage is--

`(i) in the case of qualified fuel cell property, 30 percent, and

`(ii) in the case of any other energy property, 10 percent.'

(d) Conforming Amendment- Section 48(a)(1) is amended by inserting `except as provided in paragraph (1)(B) or (2)(B) of subsection (d),' before `the energy'.

(e) Effective Date- The amendments made by this section shall apply to periods after December 31, 2005, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

SEC. 1337. BUSINESS SOLAR INVESTMENT TAX CREDIT.

(a) Increase in Energy Percentage- Section 48(a)(2)(A) (relating to energy percentage), as amended by this Act, is amended to read as follows:

`(A) IN GENERAL- The energy percentage is--

`(i) 30 percent in the case of--

`(I) qualified fuel cell property,

`(II) energy property described in paragraph (3)(A)(i) but only with respect to periods ending before January 1, 2008, and

`(III) energy property described in paragraph (3)(A)(ii), and

`(ii) in the case of any energy property to which clause (i) does not apply, 10 percent.'

(b) Hybrid Solar Lighting Systems- Subparagraph (A) of section 48(a)(3) is amended by striking `or' at the end of clause (i), by redesignating clause (ii) as clause (iii), and by inserting after clause (i) the following new clause:

`(ii) equipment which uses solar energy to illuminate the inside of a structure using fiber-optic distributed sunlight but only with respect to periods ending before January 1, 2008, or'.

(c) Limitation on Use of Solar Energy to Heat Swimming Pools- Clause (i) of section 48(a)(3)(A) is amended by inserting `excepting property used to generate energy for the purposes of heating a swimming pool,' after `solar process heat,'.

(d) Effective Date- The amendments made by this section shall apply to periods after December 31, 2005, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).